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C O N F I D E N T I A L SECTION 01 OF 02 TORONTO 000011

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TAGS: [ETRD](#) [PBTS](#) [PREL](#) [CA](#)
SUBJECT: ONTARIO BORDER CROSSING UPDATE - WINDSOR CITY
OFFICIALS SLOW PROGRESS

REF: A. 07 TORONTO 424
[1](#)B. 07 TORONTO 256

Classified By: Classified by Political Economic Consul Sherri Holliday-Sklar for reasons 1.4 (b), (d), and (g).

[1](#)1. (C/NF) Summary: Ontario provincial officials have decided on the design for the Windsor access road linking the end of provincial highway 401 with the customs plaza for the new international bridge under consideration by the Detroit River International Crossing (DRIC) project. The final provincial decision, which has not yet been made public, was made without discussion with Windsor city officials. Transport Canada has agreed to pay for half of the access road (C\$800 million), a significant increase over their initial allocation of C\$400 million. But a proposed C\$35 million plaza expansion project at the Windsor end of the Detroit-Canada Tunnel is currently being held up by the insistence of federal officials on increased funding from the City of Windsor. The city, which has reportedly been spending its tunnel revenue without setting aside funding for future capital needs, says it does not have the money the federal government is asking for. Windsor has alienated the provincial and federal transportation officials who are planning and will be constructing major border infrastructure projects within the city limits. We do not expect Windsor to adopt more accommodating tactics, leaving city officials as a factor to be ignored or overcome as federal and provincial officials work to improve U.S.-Canada border infrastructure in southwestern Ontario. End Summary.

Windsor Access Road

[1](#)2. (C/NF) Ontario provincial officials have decided on the design for the Windsor access road linking the end of provincial highway 401 with the customs plaza for the new international bridge under consideration by the Detroit River International Crossing (DRIC) project. On January 10 Fausto Natarelli, Director of the Windsor Border Initiative Implementation Group for the Ontario MoT, told Pol/Econ Chief the final decision to build the C\$1.6 billion highway was made with input from key provincial Cabinet officials, including Windsor-area MPPs Duncan (Finance Minister) and Pupatello (Economic Development and Trade), but without the direct concurrence of Windsor municipal officials, who had proposed construction of an alternative "Green Link" (ref (A)). Windsor city officials are publicly clamoring for information on the proposed access road, but Natarelli said provincial officials will not directly engage Mayor Eddie Francis or other city officials, who have a track record of not respecting confidential information and using the local

press to try to ramp up the pressure on provincial politicians.

13. (C/NF) Natarelli said the province is on track to produce the detailed engineering documents for the access road that will be needed for the planned April 2008 binational announcement of the preferred DRIC alternative. Ontario has begun acquiring some of the 600 or so properties it will need to construct the access road. MoT officials are currently negotiating to buy 170 properties, which they hope to acquire by the end of 2008. Natarelli said the province will issue expropriation notices to other affected property owners who have not come forward by the time the Environment Ministry approves the Environmental Assessment (EA) for the access road project in the summer of 2009. In a separate January 9 meeting, Environment Minister John Gerretsen affirmed to the Consul General that the DRIC project is a high priority for his ministry and that Environment officials are prepared to expeditiously advance the provincial EA when they receive the formal application from MoT next fall.

14. (C/NF) Natarelli said Transport Canada (TC) has agreed to pay for half of the access road (C\$800 million), a significant increase over their initial allocation of C\$400 million. TC officials have clearly said they will not pay "a loonie more," however, and will re-evaluate their financial commitment if the current road outline is significantly altered to include more of the aesthetic "Windsor beautification" features sought by city officials, whose "Green Link" proposal called for tunneling 3.8 km of the road.

The Detroit-Canada Tunnel

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15. (C/NF) Natarelli said Transport Canada separately is currently holding up a C\$35 million plaza expansion project at the Windsor end of the Detroit-Canada Tunnel. Under the 2003-04 plaza expansion agreement, MoT and TC agreed to spend up to C\$10 million each for plaza construction while the city agreed to acquire the needed additional property and kick in some additional funding. Natarelli said that TC officials, frustrated by the political grandstanding and spending choices (such as the C\$500,000 to C\$1.5 million spent retaining the services of New York-based traffic expert Sam Schwartz, ref (B)), are insisting the city kick in more funding for the project. Provincial officials are arguing to their TC counterparts that a single year delay in the project will increase project costs by more than the amount of money TC is demanding Windsor kick in. And right now Windsor claims it doesn't have the money, Natarelli said.

16. (C/NF) During a December meeting, Natarelli told Pol/Econ Chief that the City of Windsor has established a Municipal Corporation to "manage" the tunnel. The city then "sold" its management interest in the tunnel to the Municipal Corporation, which has subsequently applied for a loan against future tunnel revenues from the provincial agency -- Infrastructure Ontario. Natarelli explained that this shell game enabled the city to obtain the funds it needed to pay its share of the cost of renovating the tunnel ventilation system. The city meanwhile has reportedly been spending its tunnel toll revenue without setting aside funding for future capital needs.

17. (C/NF) Comment: Ontario is committed to advancing construction of the Windsor access road linking the end of highway 401 with a new publicly-overseen international bridge between Detroit and Windsor. The tactics of the Windsor municipal government headed by Mayor Francis has alienated the provincial and federal transportation officials who are planning and will be constructing major border infrastructure projects within the city limits. Because of its linkage to

the binational bridge, the access road project will not be derailed. But the sorely-needed plaza expansion project in downtown Windsor, is taking a hit, to the detriment of Windsor residents, many of whom commute through the tunnel. Despite the obvious lesson for city officials, we do not expect Windsor to adopt more accommodating tactics, leaving city officials as a factor to be ignored or overcome as federal and provincial officials work to improve border crossings in southwestern Ontario. End Comment.

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